

Blame the Terrorist Black Muslims

As John McCain sinks in the polls, it's been amazing to watch one of America's two major parties adopt wholesale an insane racist conspiracy theory and to watch the mainstream media lap it up. Back when Republicans were insisting that the Clintons ran an underground drug-smuggling ring and murdering their political opponents, you at least had to send away for the video. Now it's broadcast 24-hours-a-day on CNN and Fox.

The claims, outlined in [this seizure-inducing Web ad](#) (since deleted from McCain's site), are basically that Barack Obama, left-wing terrorists, and inner-city blacks have teamed up to cause the mortgage meltdown and commit voter fraud to ensure Obama wins the election. Yes, in an era when huge banks are failing left and right and the Republican is down 14 points in the polls, Republicans are convinced that poor African-Americans must be responsible. If only!

It's all blatant lies, of course, but it's really been incredible to watch the Republicans be forced into such lunacy. And, of course, it's undoubtedly setting the stage for more repression and violence against powerless blacks. And ACORN, one of the few organizations that actually helps these communities, is just being shredded by the media because of these false allegations. Of course, it's also a cover for ongoing attempts at voter intimidation and other sleazy tactics to steal the election.

There's a lot of confusion about what happened, so let me explain it simply: as the dot-com bubble was bursting, Alan Greenspan looked for a new place to park all that cash. And the answer was houses. It was a dot-com bubble repeat in slow-motion. Prices rose and rose, people started withdrawing [hundreds of thousands of dollars in equity](#) from their house, "experts" on CNBC (like [David Lereah](#)) said that housing prices would always go up, brokers started issuing mortgages to everyone with a pulse, everyone began buying and flipping homes.

The mortgages were sold to upstream firms, among them Fannie Mae and Freddie Mac, which conservatives had insisted on privatizing to let the market's magic work. The upstream firms packaged them into securities to sell to the big pile of money and then all bought insurance on each other to ensure that if one failed the whole thing would come crashing down. (Conservatives refused to regulate the insurance market — the government isn't smarter than these big banks, they said.)

Fail it did, as soon as the housing bubble burst and housing prices returned to their normal levels. This meant the new mortgages weren't worth paying back, meaning the mortgage-backed securities were worthless, meaning it was time to collect on the insurance, meaning the whole system came crashing down. And thus, the bailout.

You can see why conservatives might prefer to blame it all on blacks.

These tactics infuriate me. I don't know how to stop them, but I will do my small part by [donating to ACORN](#). I hope you'll join me.

You should follow me on twitter [here](#).

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